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OBSERVATIONS

ON THE

RESTRICTIVE AND PROHIBITORY

Commercial System;

ESPECIALLY WITH A REFERENCE TO THE DECREE OF
THE SPANISH CORTES OF JULY 1820.

“ Leave us alone.”

FROM THE MSS. OF

JEREMY BENTHAM, Esq.

BY JOHN BOWRING.

London:

PRINTED FOR EFFINGHAM WILSON,
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P R E F A C E.

CORRECT views of the changes which it is desirable to introduce into our present plan of commercial policy, do not appear to the writer to have been in all respects well condensed, or satisfactorily developed; and he was not a little gratified when the ill-judged Decree of the Spanish Cortes, dated in July last, induced his venerable friend Mr. Bentham, whose profound and discerning mind had been for some time directed to the interesting events of the Peninsula, to record his opinions of that baneful anti-commercial system which has too long blinded the eyes and contracted the habits and feelings of so large a portion of society.

It will not be the least, though it has been one of the latest, practical lessons which has been taught us,—and taught us, too, by that best of instructors, suffering experience,—that no system of commercial policy can be ultimately beneficial which is reared upon the selfish principle alone. To sacrifice the interests of the dependent many to the ambition or

A 2

the avarice of the privileged few,—to build a theory of successful scheming on the mere usurpations of fraud or violence;—to make the pursuits and the profits of commerce depend on the intolerant dictation of military or of naval power, without any reference to the wants or wishes or interests of those concerned,—would seem, if now for the first time projected, as idle in the conception, as impracticable in the execution. Yet such a system has been but too long in vogue. Flattering to our but too prevalent feeling of national pride, this system (in defiance of the benign counsel of the moralist) has made us deem it excellent, because we have the strength of a giant, “to use it like a giant.” Almost necessary, perhaps, to a constantly drained treasury, it has ever refused to sacrifice a penny in possession to obtain a pound in reversion. It has retained the salt-duties, by which *millions are lost*, because through them *thousands are gained*; it has, for the miserable produce of a tax on wool, (miserable even in calculation, and how much more so in the result?) driven us from some of the most important sources of commercial profit, and abandoned large classes of industrious hands to hopelessness and the poor-laws. We have too long and lamentably been pursuing our path of error. Retract, return we must, sooner or later; and tomorrow we shall retract with a worse grace, and with a greater bulk of suffering, than to day.

Spain is a country which possesses immense mines of agricultural wealth, and offers in consequence the strongest motives for the direction of her capital to agricultural improvement; since it might be so employed in the perfect security of a profitable and a prompt return; while, on the other hand, this new commercial system will as certainly prove calamitous as a better system might be beneficial. To Spain, it must be confessed, having little of that fictitious influence which has too often succeeded in *compelling* nations to unwarrantable self-sacrifices, that system will be more fatal than it has been to England. But the system is radically bad; it is bad every where. It is a poison that may act differently upon different subjects: its progress may be concealed, may be delayed; it is poison still,—and it is deadly.

The writer had originally intended the re-organization of the following pages, by keeping the case of Spain entirely out of view; but he found every attempt to increase, by any arrangement of his own, the effect he seeks to produce, frustrated by the constantly recurring conviction that that effect would be most assuredly produced by allowing the Spanish Decree still to occupy a prominent place. That Decree is a fair specimen of the anti-commercial spirit. It does not go quite so far as some of our *sweeping* prohibitions,—prohibitions made in all the wantonness of uncalculating arrogance; but it

goes far enough for our arguments; and for any thing beyond it, fewer arguments would of course suffice.

The writer cannot, however, in this place forbear expressing his astonishment at the reproaches and indignation with which, he is given to understand, the Decree of the Cortes, which prohibits so many British manufactures, has been received in different parts of this country. Spain will punish herself—is punishing herself but too severely—by her erroneous policy; and interested as is the writer in the well-being of that country,—the witness as he has been of so much of her suffering, and so much of her glory,—bound by strong ties of personal affection to many of the illustrious actors in the late momentous and exhilarating changes;—he feels, and powerfully feels, disappointment and regret that her legislators should have committed an error so fatal: but, he may be allowed to ask, on what plea of honesty or consistency can England object, who so inexorably shuts her ports to the manufactured produce of foreign hands? aye, even of those of her own subjects—of her own colonies! Is it for us, forsooth, to complain that high duties or severe interdictions prohibit the circulation of our fabrics, while the cheap linens of Russia, the fine ones of Germany, the cambrics of France, the carpets of Turkey, the cottons of India, and the silks of China, implore an admission to our markets, with all the

claims of superior cheapness and superior excellence, and are met with a stern unyielding No*? We imagine, complacent souls! that other countries will give a welcome to the works of our looms, because we offer them so honest an equivalent,—the prohibition of every thing produced by theirs. Their wool and their fruit, their oil and wine, their drugs and dye-woods; we will receive from them in our abundant generosity, as we are not able to produce them; but what right have we to complain, if they copy the example we have given them, and sullenly turn our manufactures away? They show how they value, and how well they can apply, the good lessons we have given them. We would persuade them, perhaps, that it is for their interest to take our goods: they are cheaper, better;—nothing more reasonable. But, in common justice, if they have a word to say to us on that score in favour of their own, let us, pray let us listen to them. Shall our answer be—No, never?

It would tend greatly to facilitate the fair consideration of this most important question, if, in reckoning up the sources of national wealth, we were more accustomed to generalize, and less prone to draw a broad line of demarcation between commercial and agricultural interest. The prosperity of a nation is

* It is mere quibbling to say that these or any of them *may* be introduced, when extravagant duties bar their introduction.

to be judged of from its aggregate productions; and in our general relations, if the commercial and the agricultural representatives of wealth be as two to two, and if by any changes they should fluctuate in the proportions of three and one on either side, the sum total of benefit remains the same. Such great fluctuations are no doubt calamitous in their progress, and can only take place where an excessive momentum is given by the application or removal of restrictive or impelling measures, from that ever-eager disposition to patch up temporary evils by permanent legislative enactments: but the habit of looking at different sources of riches and strength with an exclusive and narrow vision, has impelled men to the most fatal conclusions, and led in a thousand instances to the most mischievous of all attempts; to apply apparent remedies to the necessities of separate interests, without any reference to their connexion with or proportion to the common, the universal interest.

Satisfactory it is, however, to observe the rapid progress which sound notions of commercial policy have made in the world; and it is peculiarly satisfactory to notice their prevalence in those high quarters from whence (if at all) relief must ultimately come. The generally correct views which have been developed in the recorded opinions of the President of the Board of Trade; the acknowledgement from the lips of Ministers, that many and grievous

and
natural

evils have resulted from the present system; the Reports of the Select Committee of the House of Commons; the representations of the merchants of the metropolis, which have been re-echoed by the intelligent merchants of the outports, and which have found a concordant voice even on the other side of the Atlantic; every thing, gives room to hope that most important changes must soon and certainly be introduced.

It has generally been the fate of those who have pointed out the errors, defects, and dangers of any long-established institutions, to be met with the taunting defiance "Give us something better;" and though there has been generally more art than honesty in such an evasion, it has too often produced the intended effect, by turning men away from the honest effort at melioration which would be necessarily called into action by a conviction of the mistakes of the existing system. On this question, however, ~~that which nations have most earnestly to entreat from governments is, that the latter would cease to honour them with any officious interference:~~ "their tender mercies," however well intended, "are cruel." The best boon they can give is to let the stream of commerce flow as it will; its tide is strong enough to bear away all impediments; and governments are but too much the victims of self-deception, when they imagine that their Decrees of prohibition or of encouragement do really

produce the effects they contemplate. Those Decrees are erected against and opposed to the natural tendency of things, and are in the end as absurd and as ineffective as it would be to direct the winds by an Order in Council, or to manage the tides by Act of Parliament. The evils of such interference are produced, uncontrollably produced,—they attach necessarily and invariably to it; but the good intended is not of such a character that it can be condensed into a cornucopia, whose tangible riches are to be distributed or withheld at the caprice of those who fancy themselves privileged to grant or to deny them.

In making these observations, let it not be imagined that the writer deems it practicable or desirable, by any one measure, violently and suddenly to shake and overthrow the now established commercial fabric. He would have the great principle of the Freedom of Commerce recognised by some public Act, and by degrees, but as soon as may be, every thing brought into that great principle. In many branches of commerce the transit would be easy: with these we might begin, and step by step trace back the mistaken road.

And finally, let it not be forgotten, as a motive for reverting to a better system, that England no longer possesses the physical power of enforcing submission to her desires, when those Decrees are unfriendly to nations whose local circumstances for-

merly made them so much dependent on the protection or forbearance of our government. Our ships cannot now blockade their ports, nor assume the exclusive right of conveying to them the foreign commodities they need. They are no longer compelled to receive their supplies from our warehouses; nor is that state of things likely to return. Franklin spoke like a practical philosopher when he said that the best plan of policy would be to make England one free port. With her immense resources, of mind, of wealth, of industry,—with every thing, indeed, which can contribute to her commercial superiority,—could she be spared the interference of those who, intending perhaps to protect, manage constantly to wound and injure her, what might she not become?

Of the following tract, every thing that is emphatic in its style, or irresistible in its reasonings, belongs to its distinguished author. He has seized on, and applied with singular felicity and energy, all the great bearings of this interesting and important subject; and the writer has only ventured to blend with the original matter a few practical and local observations which have come under his personal cognizance.

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OBSERVATIONS,

&c. &c.

§ I. *Nature of the prohibitory System.*

JUST as the period was expiring beyond which, according to the Spanish constitution, the Cortes had no power to continue their sittings; at a moment when affairs the most urgent and interests the most important, necessarily distracted and divided their attention; the outline of a law was precipitated through its several stages, prohibiting manufactured woollens, cottons, linens, and silks, and attaching heavy duties to the introduction of many other manufactured articles*. So hurried was this measure, that its details were obliged to be referred to the finance minister; and so unexpected, that all the correspondence

* This injudicious and baneful decree is singularly illustrative of the extreme absurdity of that part of the constitution which only allows the Cortes to sit for three, or at most four months of the year. Whether they have little or much to do, they are compelled to employ the same time about it. They are to be treated, as an able Portuguese Journalist observes, like babies, who must be put to bed at a fixed hour whether they are sleepy or not.

The writer takes it for granted that the decree exists, though neither he, nor any individual he has seen, is able to speak to the fact of its publication.

which communicated to this country the first news of the decree, breathed nothing but surprise or disappointment, regret or anger ; yet there can be no doubt the real, as the averred object was, to give encouragement and increase to the manufacturing branch of national industry, by compelling the employment of home productions, in lieu of those which Spain had been accustomed to receive from other manufacturing countries. It was certainly not *intended* to do mischief to those countries, either by interfering with their trade, by lessening their wealth, or by exciting their feelings of hostility. It was, indeed, neither more nor less than an application of the system of factitious encouragement of the domestic production in the indirect mode ; that is, by discouragement applied to the same articles when produced by foreign countries.

The expediency of such a measure may be conveniently considered in two points of view ; the general, in its application to all countries ; the particular, as especially affecting Spain.

It may be laid down as a universal maxim, that the system of commercial restriction is always either useless or mischievous ; or rather mischievous in every case, in a less degree, or in a greater degree. In the judgement of the purchaser, or the consumer, the goods discouraged must be either better than those which are protected, or not ; if not better, (of course better for a fixed equivalent,) they will not be bought even though no prohibition exist : here then is uselessness, or mischief in the lesser degree. But the case, and the only probable case, in which the fictitious encouragement will be applied, is that where the goods excluded are better, or in other words cheaper, than those sought to be protected : here is unqualified mischief, mischief in the greater degree.

It may be desirable here to explain that the word *better*, when used, means better at the same price, *i. e.* cheaper. Price is, in truth, a more convenient standard, because an unfluctuating and determinate standard; quality not. Better, means, then, that in the opinions of the purchasers or the consumers, the article is more advantageous, or more agreeable, and it is better, in the proportion in which it is more advantageous or agreeable.

This premised, we proceed more satisfactorily to consider the results of a prohibitory law of this sort in all the points of view of which it is susceptible.

When, in the view of favouring home commodities, a prohibition inhibiting the introduction of foreign rival commodities is obtained, that prohibition is either obeyed or disobeyed; obeyed, if the home article be purchased instead of the foreign one, or if neither the one nor the other be purchased: disobeyed, if, instead of the home article, the foreign one be purchased. In the case of such prohibition, obedience takes place in some instances, disobedience in other instances.

Case I. The prohibition obeyed, and the purpose answered, by the purchase and use of the home article instead of the rival foreign article. The price paid for the home article is greater than would have been paid for the rival foreign article, had the prohibition not existed; if not, the prohibition would be without an object. What then is the result to the consumer? The difference between the one price and the other, the injury or loss which he sustains, is equivalent to the imposition of a tax of the same amount.

But the pocket into which the produce of this sort of tax goes, whose is it? that of the public? No! but that of the individual producer of the article thus taxed. To

the people at large, without diminishing the amount of other taxes, the effect is no other, the benefit no greater, than that of a tax to the same amount would be, if, instead of being conveyed into the national treasury, it were pocketed by the individual collectors.

If, instead of the prohibition in question, a tax to the same amount had been imposed on the rival foreign article, the produce, instead of being thus given to the collectors, would have been conveyed into the public purse, and by the whole amount have operated as a saving to the people, in diminution of the contribution that would otherwise have been exacted through other channels. Not to the whole amount, it may be said; for in case of the tax, the expense of collection would have been to be deducted. Yes, to the whole amount; for the expense of enforcing the prohibition would assuredly be as much as, probably more than, the expense of collecting the tax.

Case II. The prohibition obeyed; the rival foreign article not purchased, but the home article not purchased. Here, though the law is obeyed, the purpose of it is not answered.

This will be the effect insomuch as the advance of price caused by the prohibition deprives the consumer of the power of purchasing it: the home article too bad in quality; the foreign too dear, from the excess of price produced by the risk of evading the prohibition. The home article is then neglected, in consequence of the disgust produced by its comparative bad quality, the foreign is not purchased on account of its dearness; which dearness is the result of the prohibiting law.

In this case, though no loss in a *pecuniary* form is produced to those who antecedently to the prohibition were

accustomed to purchase and to enjoy the article in question,—though no loss in a tangible and measurable form is suffered,—yet in the form of comfort, in the form of that wonted enjoyment on which the article depends for the whole of its value, the loss is not less real, and the loss is incalculable.

True it is that whatsoever the consumers in question would have expended but for the prohibition, on the articles in question, is left in their hands unexpended, to be employed in other articles; and therefore the loss is not total. True; but there is a loss: a loss is implied in their being compelled to purchase articles which they would not otherwise have chosen. The amount of loss is not within the reach of calculation; but where it is possible to erect a comparative standard of price or quality between the goods which would be purchased but for the prohibition, and those which are purchased on account of the prohibition, the loss presents itself in a tangible and measurable shape.

Case III. The prohibition disobeyed: the purpose not answered; the home article not purchased for consumption; the rival and foreign article purchased and consumed, notwithstanding the prohibition. Then not only is the law disobeyed, but its purpose is more manifestly frustrated than in either of the foregoing cases.

Under our present supposition, the price of the foreign article to the purchaser and consumer cannot but be raised above the current price it held before the prohibition; for the prohibition cannot be evaded without extra labour employed, and risk incurred, by those engaged in the conveyance of it from the hands by which it is exported from the foreign country to the hands of the consumer;—and fraudulent labour is of all labour the most

costly. Here too, in respect of the loss and burthen to the consuming purchaser, the difference between the price of the foreign article when allowed, and the foreign article when prohibited, has by the whole amount of it the effect—the bad effect—of a tax : and by every increase given to the severity, or in any other way to the efficiency of the law, a correspondent increase is given to the amount and burthensomeness of this unproductive substitute to a government tax.

And into whose pockets is the produce of this worse than useless, this baneful substitute to a tax, conveyed ? Into the pockets of the public ?—No ! Into the pockets of the home-producers, whom, at the expense of all their fellow-countrymen, its endeavours are thus employed to serve ?—No ! But into the pockets of those whose labours are employed, whose lives and liberty hazarded, in effectually causing the prohibitory law to be disobeyed, and the design of it frustrated.

The persons for whom this favour is intended, what title have they, what title can they ever have, to such a preference ; to a benefit to which a correspondent injury, not to say injustice, to others,—an injury, an injustice to such an extent,—is unavoidably linked ?

And in point of numbers, what are the favoured when compared with the disfavoured ?—Answer, The few ; the few always served, or meant to be served, at the expense of the many.

This one observation attaches inevitable and unanswerable condemnation to the measure, unless it can be shown that the sum of profit to the few is more than equivalent to the sum of loss to the many.

But in favour of such a supposition no reason whatever presents itself. If any one believes he can discover

such a reason, if any one imagines it falls within the possibilities of the case, to him it belongs to produce it.

The loss sustained by those on whom the burthen of the measure most immediately presses, who are as it were in actual contact with the measure, is not the only loss. Antecedently to the prohibition the articles now prohibited were furnished by foreign producers, to whom home articles to an amount regarded as a fair equivalent were supplied in return, and were in fact the means of purchasing. Deprived now of the means of paying for the goods of the country which issues the prohibition, the foreign producer is driven from the market. And here, on the very face of the transaction, is another set of men on whom a burthen is imposed, or, which is the same thing, to whom a profit is denied, equivalent at least to the expected benefit, supposing it received, and at whatever calculation it may be taken.

Here then, in addition to the injury done to the universal interest, is an injury done to a particular interest, equal to the benefit contemplated to the other particular interest for whom the prohibition was made.

Not so, it may be objected; not so: for what they before purchased with the prohibited goods, they will continue to purchase with other not-prohibited goods, or with money, which is still better.

Vain, however, is this objection. In money perhaps they would have paid for these our goods, rather than have gone for the like to some other country; in money they would have paid for them, could they have got it. But they could not have got it, except by selling their goods. If they have sold their goods and realized their profit, why should they bring the money they have produced to you?

But they will pay in other goods. If we want those goods, and can pay for them, and will allow them to be brought to us, we shall have them in any case, whether the others be prohibited or not: so that the question remains as it was before.

This is the point at which any person who, being determined to justify the prohibitory system at all events, though at the same time conscious of its unjustifiability, would be apt to attempt a diversion by leading the debate into the subject of the balance of trade. But, without going into the details of that controversy, a demonstration of the reality of the loss, founded on universal experience, may satisfy even the *mala fide* adversary.

After having been accustomed to sell the whole or a part of his produce to this or that particular customer, no man who knows that that customer is prevented from sending the only goods he was used to send in return, would not understand himself, feel himself, to have sustained a loss. A loss he would necessarily sustain, and by the whole value of the goods, supposing him not to find another customer; and if a less advantageous customer than before, the loss, though less in amount, not less real in fact: and if in the case in question it be alleged, that in the room of every person so prevented by the prohibition from giving for the goods the usual equivalent, another customer comes of course,—he who makes the allegation that such a second customer comes of course, is bound to produce him—to provide him—for his argument, at least.

The general result would be more clearly perceived from an individual case in point:—Spain sells to England wine, wool, oil, fruits, &c.; she takes in return a great variety of manufactured and other articles. On a

sudden a prohibitory decree is passed ; Spain is no longer allowed to buy the foreign manufactured articles. Of the surplus of Spanish produce not sold and consumed at home, a great proportion was bought for England in return for the English articles sent to Spain. Where are the Spaniards now to find customers for that produce ? Not from England ; for they have deprived England of the means of buying : not from other countries ; at least from those to whom the same prohibitions apply.

Add to these necessary ill consequences the probable ill consequences produced by counter restrictions and prohibitions against *your* goods, in countries the introduction of whose goods you restrict or prohibit, and the quantum of loss or suffering will be greatly increased.

Thus then must the question be finally put :—The burthen to those who are injured, what is its amount ? The benefit to those who are meant to be favoured, what is its amount ?

Persons—human feelings—pounds, shillings, and pence in English, in Spanish reals of Vellon—to all these subjects must the arithmetical calculation be applied, before we can come to any just and well-grounded conclusion ; and when there are two parties to the question,—two contending parties,—the arithmetical operation must be applied with equal correctness to both sides of the account ; otherwise it will be no more an honest account, than if in a statement of account between A and B all the items on one side were omitted.

Yet in the account kept of the pretended or supposed encouragements in question, the unreciprocal operation is the sort of operation that is performed—that has been commonly performed.

§ 2. *Mischiefs of the prohibitory System.*

The prohibitory measure is introduced then into the country in question in order to compel the sale within itself of its own productions, in opposition to foreign productions, under the notion of their being rival productions. Reader, whoever you may be, to avoid difficulties in the expression, we will call that country *your country*.

Mischief 1st. Dearer commodities are forced upon your countrymen instead of cheaper; and all are sufferers by whom the cheaper article was, anterior to the prohibition, bought or consumed: in many cases, the whole population of the country; excepting such as were disabled by poverty from becoming purchasers. The gross sum of injury will be the difference of price between the home-produced and the foreign-prohibited article, calculated on the whole amount of consumption.

The loss in Spain immeasurably great; probably not less than a fourth on all the manufactures consumed. Amount of imports of manufactured articles is about £500,000 yearly, from England only. (See Table A.)

Mischief 2d. Mischief by commodities of inferior quality being forcibly substituted to commodities of superior quality. Sufferers, as before, all those who antecedently to the prohibition employed or consumed the good article, and who now are compelled to employ the bad one, or who employ none. Amount of loss unsusceptible of calculation,—incalculable.

In Spain, as before, peculiarly great. With the exception of a few silk manufactures, and some of fine woollens, which have lately been brought to a state of

great excellence without the prohibitory system, and which for their continued improvement and ultimate perfection require no prohibitory system to protect them,—with the exception of a few manufactured articles of silk and wool,—the manufactures of Spain are in a state of wretched imperfection. Many excluded fabrics cannot be produced there. Bombazines, for instance; an article of very general consumption,—an article so peculiar and beautiful in its perfect form, that it has not yet been manufactured even in France, where the silk-fabrics are in such an advanced state. So again, the articles produced by the coarse long wool of this country; this wool being peculiar to England.—Inferiority applies necessarily more or less to all home-encouraged articles compared with foreign prohibited articles. Manufactures become cheap and good in proportion to the advantages possessed in their creation; and the state of the mechanical arts in Spain being exceedingly backward, the production of articles moderate in price and excellent in quality cannot be contemplated. Another contingent mischief then follows the prohibition,—an evil even to the few producers. The strongest motives to emulation being removed, the home-goods will not be improved as they would be when impelled by the rivalry of the superior foreign-goods. Permanent inferiority is therefore likely to be entailed on a nation by the prohibitory system, and misdirection of capital from objects leaving certain and larger profit to objects promising only uncertain and lesser profit.

Mischief 3d. Mischief by the cessation or diminution of the demand for the home-produced commodities; such as before the prohibition were taken by the foreigners in exchange for the commodities now prohibited. Sufferers,

those who antecedently to the prohibition were engaged in the production of the commodities so taken in exchange. Amount of this suffering uncertain. It will have place in so far as the prohibition takes effect: so also when it is evaded; for it cannot be evaded without a rise of price proportioned to the risk regarded as attached to the endeavour to evade. Suppose then the price to the customer in your country doubled, the quantity of commodities that can be employed in the purchase of your home-produced commodities is reduced one-half.

In Spain again this third mischief singularly great. Of some of her exporting-produce, the greater part is bought for foreign markets, by foreigners. Distress produced by the prohibition proportionably great. In 1819 an instance in point occurred, when in the interior provinces (particularly La Mancha and Castille) great distress was occasioned among the agricultural producers by the excess of produce remaining unsold on their hands;—in some districts the harvest was left to perish on the ground. But this was under the reign of the restrictive system only: how much would the evil have been augmented under the prohibitory system? It appears by Table C that the amount of produce yearly imported into England from Spain varies between 1,500,000 and £2,000,000 sterling.

Mischief the 4th. Mischief by the loss of the tax, which antecedently to the prohibition was paid by the commodities now prohibited; *i. e.* of the correspondent supply received from that source by the government for the use of the people. Sufferers, all payers of taxes; *i. e.* all the population. Amount of the suffering, the annual amount of the supply received from this source.

In Spain, again, the mischief eminently great; the duties on imported goods being one of the most important sources—nearly a fourth of the whole revenue. The net amount of custom-house revenue from June 1820 to June 1821 is calculated 80,000,000 reals de Vellon. The expense of collecting the custom-house revenue is nearly 25 per cent.; its gross amount is about 100,000,000 reals, or one million sterling*.

Mischief 5th. Increase given to the number of smugglers, who, in consequence of the prohibition and the increase of price which the persons habituated to consume or otherwise use the now prohibited commodities will determine to give rather than forego the use of them.

This mischief is of a very complicated nature, and branches out into a variety of evil consequences pernicious to the moral feeling,—pernicious to pecuniary interests.

Of the government functionaries whose labour previously to the prohibition was employed in the collection of the tax paid on the introduction of the commodities in question, the labour will now be employed in securing the exclusion of them from the hands of the intruded purchasers; or in depriving such purchasers of them, should they have reached their hands.

Suppose them to be thus seized, what is to become of

* The Ways and Means for 1820—21 were thus calculated:

Net Custom-house revenue	Reals 80,000,000
Do. other revenue.....	341,500,000
	<u>421,500,000</u>
Expenses of collecting	109,000,000
	<u>530,500,000</u>
Gross revenue.....	

them? Are they to be destroyed? Here is dead and absolute loss to every body. Are they to be sold for government account? The benefit intended for the home producers of the rival commodity is prevented from coming into their hands. If sold with permission to be employed at home (as has been usually the case in Spain), then is suffering created to the amount of their value to the holder, and not an atom of benefit obtained for the home producer. If sold with an obligation to export (as is the practice in England), the loss is diminished, but not less certain; loss of the extra value given by the labour of smuggling; loss consequent on non-adaptation to other markets, and other contingent loss unsusceptible of calculation. At all events, all loss attaches to your own people. The commodities having passed from the hands of the foreigner whose profits have been secured, into yours, with you the risk of the adventure now lies.

Of a part of the people whose labour antecedently to the prohibition may have been, and, until reason appear to the contrary, ought to be presumed to have been employed in some profit-seeking and productive operation, that labour is now, under the temptation afforded by the expected increase of price obtainable for the prohibited commodities, employed in the endeavour to introduce them and convey them to the hands of the venders in spite of the counter-exertions of the functionaries of government; there too is the additional loss of the amount of that labour.

We have thus, under the prohibitory decree, two contending bodies, not to say armies, engaged in constant conflict; the custom-house officers, having for the object of their exertions to give effect to the decree and to prevent the introduction of the prohibited articles; and the

smugglers, having for their object to evade the decree by promoting and effecting the introduction of those articles. The government functionaries are paid voluntarily by the government rulers out of the contributions paid involuntarily by the people; the smugglers are paid voluntarily by the people.

In the course of this conflict lives will be lost, and other bodily harm will be sustained on both sides. Destruction of property will also have place; particularly of such articles as are the subject of the contest thus set on foot.

Nor can the calculations under this head of mischief be closed without reverting to another mischief procured by the giving execution, the enforcing submission to the prohibition ordinance, as against those by whom that ordinance is disregarded: *i. e.* by the execution of the law against, or upon such delinquents.

Under this head must be considered two perfectly distinguishable masses of evil:—1. The evil of *expense* attached to the officer created and paid, and to the other arrangements of all sorts having for their objects the punishment of offenders, the prevention of the offence. 2. Evil of punishment composed of the suffering of those in whom, whether justly or unjustly, under the supposition of delinquency on their parts, the punishment is caused to be inflicted.

And when (it is a supposition due to all who have in any instance benefited by the lessons of experience, and from whom we have reason to hope that there will be no obstinate persisting in a system fraught with evil,) when erroneous views shall be succeeded by correct ones, and these prohibitory decrees be repealed accordingly; these smugglers, what becomes of them? A return to honest labour is neither so agreeable nor so easy as, but for the

improvident law, continuance it in would have been: Some by choice, some by necessity, the smugglers are transformed into free-booters. Corruption is thus spread over the morals of the people, and those who should have been the guardians are the corruptors:

Universally applicable as are the objections ranged under this head, to Spain they apply with a cogency little imagined by those who are unacquainted with the localities of the peninsula, and the long established habits of its people. The immense extent of coast, the badness of the cross roads, the mountainous character of the country, are likely to be permanent auxiliaries to those immense bodies of organized smugglers, who from time immemorial have carried on a large proportion of the commerce of Spain. The adventurous and danger-defying character of the Spanish mountaineer, seems to have peculiarly fitted him for enterprises of this sort. Little reproach attaches to the profession of the smuggler; and the frequent representation of his bold feats on the stage, is witnessed generally with great interest, often with admiration, sometimes with envy. The popular song

Yo soy un contrabandista,
 which recounts some of his deeds of heroism, has been long a favourite at the court of Madrid, and especially a favourite of the monarch himself.

The impracticability of carrying the prohibitory decrees of Spain into effect, is already pretty generally recognised there. As if nature had provided for its certain evasion, Gibraltar becomes the great depôt for the south, Lisbon and Oporto for the west; and the hundred passages of the Pyrenees will supply the northern and eastern provinces. Every merchant knows that at the principal commercial

ports of Spain, a great part of the duties has been habitually evaded, and large portions of goods constantly introduced without the payment of any duty at all. Except on articles of considerable bulk, of peculiarly difficult transport, or of trifling value, the advance of price in consequence of the prohibition has been scarcely perceptible in any of the principal markets of Spain; and the idea is treated with ridicule, that, in case the system of prohibition should be persisted in, the enforcement of it to any considerable extent can be practicable. The amount of restrictive duties, in some cases not very high ones, was always deemed more than a sufficient price for the labour and risk of the smuggler: the harvest will now be extended, and the labourers will be abundant,—the profits greater. The disbanded Guerillas will furnish recruits enough for the army of smugglers; recruits, too, who will require but little training. Even in the province (Catalonia) which it is intended particularly to favour by the interdicting system, there is scarcely a village without its *contrabandista*; scarcely a creek which does not daily witness the exploits of its smuggling adventurers; scarcely an animal which has not borne the unlawful merchandize, and scarcely an individual who does not wear part of it.

The frequent and bloody frays between the armed custom-house officers or the military, and the armed and desperate bodies of smugglers, in Spain, are notorious to every individual who has had the desire and the opportunity to obtain information on the subject. Every year numerous lives are lost; and the sympathy of the public is, where it ought not to be,—with the criminals, and not with the agents of public justice.

As to loss of liberty and comfort, the prisons under

the old regime were always full even to overflowing. Of the poor mendicant abandoned children who solicited charity in the streets, the short tale of nine-tenths of them was, "I have no father." "What! Is your father dead?" "No! In prison; in prison for life!" "And why?" "For *el tabaco*"—"For smuggling tobacco"—was the constant answer.

Mischief 6th. National discord: discord between the provinces for which the benefit is designed on the one part; and on the other, the provinces by which, while the burthen is sustained in its full weight, no share in the benefit will be received or can be looked for. Sufferers, the whole people, on the one part and on the other.

This mischief, too, bears most heavily on Spain. In the provinces of no country is the rivalry so strong,—it might even be said, the enmity so active,—as among the Spanish provinces. Different languages, different habits, different forms of local government, different provincial privileges; here total exemption from taxation, there excessive burthen of taxation; in some feodality, in others the proudest and most universal individual independence: every thing, in fact, seemed to demand from the Spanish legislator plans for general unification,—especially where the Constitution professed to level all the inhabitants of all the provinces to universal equality. But these prohibitions are introduced, it is avowed, solely or mainly for the benefit of Catalonia; a small part of Valencia may be perhaps included. The whole population of the former is 850,000; of the latter, 800,000; that of Spain, 16,500,000. But of the population of the two provinces referred to, a very small proportion is engaged in manufactures: the number en-

gaged in the fabrication of piece goods, which the prohibition is principally meant to encourage, is probably not greater than a hundredth part of the whole population of the peninsula. And even though it be shown, but this cannot be shown, that the interest of every *labouring* manufacturer is encouraged or advanced by the prohibitory laws, we have a fearful account against the legislator;—for every individual's interest protected, the interests of more than a hundred are sacrificed. And this is a government professing to have for its object “to preserve and protect by wise and just laws, civil liberty, property, and *all* other legitimate rights, of *all* the individuals who compose it*.”

Mischief 7th. Ill-will produced and directed towards you by foreign rulers and people, from the suffering or loss produced by the prohibition of their commodities, and the consequent deprivation of the sale for them.

The danger may not perhaps be great, that, by a measure which does not appear to have had for its cause any hostile affection, nor any thing but a mistaken calculation of self-regarding interest, any affection decidedly unfriendly—any positive act of hostility—should be necessarily produced. Mischiefs short of positive hostility may still, with but too much probability, in every case be apprehended, from wounds inflicted in the course of the contact between self-regard on the one side, and self-regard on the other; wounds inflicted by the hands of mere self-regard, though unattended with ill-will, especially where no reasonable cause for ill-will can be found. But, if ill-will be kept off from a sense that no injury was

* Cap. I. art. 4. of the Spanish Constitution.

intended, contempt will probably occupy its place in proportion as the impolicy of the system is manifest.

In most cases, however, the prohibitory system produces a retaliatory operation; and the power of retaliation possessed against Spain is unfortunately very great. What if other countries, whose wares are excluded from Spain, load with excessive taxation, or exclude by total prohibition, the surplus of her produce, for which she has no consumption at home? for this plan of retorting injury has been too long current. To Spain it would be a great calamity, whatever the result of the struggle might be, if the question of commercial policy should resolve itself into the question of politically weaker or stronger.

Mischief 8th. All will on the part of your own people exerted towards the ruling and influential few, by whom the burthens thus imposed have had their existence. Antecedently to the prohibition, in whom, as to the matter in question, did your people in general behold their friends? In the people of that nation, in those people—foreigners as they were and are—by whom, though not without reciprocal and equivalent benefits, such additions were made to their comfort? if not, in point of affection their friends, at the least and at the worst their actual benefactors; whether in intention or not, at any rate in effect.

Subsequently to the prohibitory system, in whom, in consequence of it, will they behold though not their intended, yet not the less, their real adversaries—the authors of their sufferings—of all the sources of suffering above enumerated? In whom but in their rulers? these—for so it is hoped it may by this time be allowable to call them—these their misguided rulers?

At the same time, still looking at home, in whom will the people behold, in addition to their foreign friends as above, a set of domestic ones? Even in the smugglers; in those men by whose industry and intrepidity they will have been preserved, in so far as they will have been preserved, in the enjoyment of those comforts of which, had the endeavours of their Rulers been effectual, they would have been deprived.

Thus, while on the one side they will be beholding in the character of adversaries and injurers a comparatively small portion of their fellow-subjects in confederacy with their rulers, on the other side they will see in the character of friends a nation of foreigners and a body of malefactors: friends linked to them by community of interest; friends, in whose good offices they behold their only resource against the ill offices done to them by those who should have been their friends.

Upon Spain the eyes of the world have been fixed full of hope; already they begin to turn away, full of disappointment. Not new authorities for error, not fresh instances of the reckless abandonment of the interests of the greater number to the usurpations of the lesser number, did we anticipate from that land of promise. Alas! we have been deceived.

A circumstance from which the evil connected with the encouragement of smugglers is liable to receive peculiar aggravation, is the state of the system of judicial procedures. Decision being always tardy and often unobtainable, and, from the want of publicity on the part of the evidence, the grounds of it never known, and therefore never satisfactory, the connexion between delinquency and punishment is wholly broken. For the benefit of the Lawyers, official and professional together,

persons suspected of being malefactors—justly and unjustly suspected—are apprehended and mingled together in jail: jails are filled with them; when they can hold no more, they are emptied of necessity. In this state of things, what is done is done not by the hand of justice outstretched from her elevated station to give execution to the law upon offenders; not so much in the way of judicial procedure, by the exercise of authority by superiors over inferiors,—but in the way of warfare between contending armies; one army composed of revenue officers and their privates,—the other composed of smugglers and their auxiliaries. If in the course of a battle smugglers are taken prisoners, it is only as prisoners that they suffer,—a sort of prisoners of war; not as malefactors. Infamy-attaching punishment at the bar of public opinion is not their portion; infamy is more generally attached to the function of the revenue-officer than to the function of the defrauder of the revenue. In every country the obtainment of good from the administration of the law depends on the excellence of the law itself. In Spain nothing can be worse: to Spain, then, the foregoing observations specially apply.

Thus much as to the mischiefs attendant on such a state of things. Is there any per-contra good?

The greater and more manifest the sum of mischief produced to all others, the less will be the benefit to those on whom it is sought to confer that benefit: the greater the mischief, the more surely manifest; and the more surely manifest, the greater the security for the removal of the mischief-producing ordinances; which if removed, the benefit for the sake of which the mischief was introduced will be removed with them. Thus on

the part of the individuals for whom the favour was intended, prudence will interdict all expensive arrangements for taking the benefit of it. It will interdict the acceptance of a favour; a favour only to be obtained by perilous pecuniary adventure, whose continuance depends solely on the continuance of human blindness; the loss of which will accordingly be an assured consequence following the removal of the film of error.

But as great expectations may be excited by the promise of the exclusive benefits to be given to the home-producer as opposed to the rival-foreigner, it may be found that many will be so misguided as to stake their hopes and fortunes on the expected advantages. What wonder, then, if the influx of competition produce a further diminution of the promised benefit? If the legislating body, who are engaged by such powerful motives to take an accurate view of the situation in which they stand,—if the legislating body deceive themselves, and err under the influence of their self-deception, what wonder that others less well-informed—less intellectually distinguished—fall into the same or similar errors?

Before the tribunal of public opinion, the prohibition-system in question having nothing but misrepresentation for its support,—misrepresentation in all imaginable shapes is accordingly sure to be employed.

The sort of misrepresentation most trusted to is that by which the whole question is stated to be altogether and merely a question between natives and foreigners—between national and anti-national interests: the notion sought to be conveyed being, that whatever suffering is produced, it is by foreigners, and only by foreigners, that it is sustained; that whatever benefit is produced, it is by natives, and by natives alone, that it is reaped and en-

joyed. Then comes the interrogation which is meant to impose silence: Will you sacrifice your own interests to the interests of these foreigners? who therefore are represented to view in as unfavourable a light as can be found for them; and thereupon comes the parade of patriotism displayed, at a cheap rate,—at the expense of only a few pompous words.

But the truth has been already sufficiently unveiled; the truth, of universal application, and in an unanswerable form.

In the case of Spain the benefit of it has been shown to be little; next to nothing: the mischief great; and greater, much greater, to Spaniards themselves than to those whom they would call foreigners.

Thus, as towards foreigners in general, towards all the inhabitants of the globe, with the few exceptions of those we call our fellow-countrymen, antipathy is excited and propagated; a foolish and degrading antipathy, not less adverse to the dictates of self-regarding prudence, than to those of benevolence and beneficence. And what is the result, the melancholy result? Every effort which a man makes to excite his countrymen to hate foreigners, is an effort made, whether designedly or not, to excite foreigners to hate them; by every attempt in which he thus labours to bring down upon his countrymen the fruits of the enmity of these foreigners, he more effectually and certainly labours to deprive his countrymen of those fruits of good-will which they might otherwise have enjoyed.

The enmity which cannot but be produced on the part of those foreigners, even by the calm pursuit of their own interests,—the enmity necessarily produced by the frequent and unavoidable competition of interests,—is surely quite enough, without making any new and need-

less addition; without exerting and letting loose the angry passions in any other direction, and giving to ill-will—already too active and too prevalent—auxiliaries at once so unnecessary and so dangerous.

When, for the purpose of encouraging home industry, a prohibition is imposed on the produce of foreign industry when directed to the same object, the branch thus meant to be encouraged is either a new one or an old-established one.

It is in the former case that the impolicy and absurdity of the measure is at its maximum; it is as if a tax being imposed, the produce of it—the whole produce of it—should be thrown into the deep. If left to itself, personal interest would direct both labour and capital to their most profitable occupation: if the new favoured occupation be the most profitable, it needs not this artificial support; if it be *not* the most favourable, the effect, if any, of the prohibition, is to call capital and labour from a more profitable to a less profitable employment. At all events, the consequence of the prohibition is this:—it leads to nothing, or it leads to detriment; if not useless, it is calamitous.

In vain would it be said: Aye, but it is only intended to apply this extra-encouragement to the new occupation while in its infancy; it is only in its infancy that it will stand in need of it: the time of probation past, and its time of maturity arrived, the wealth that will then be added to the wealth of the nation will, and for ever, be greater than the wealth which for a time it is proposed to subtract from it.

By no such statement can the prohibitory measure be justified. In the infancy of any such employment, it is only by actual wealth, in the shape of additional capital,

that any effectual assistance can be given to a new branch of industry. By removal of competition, increase may indeed be given to the rate of profit, if profit be the result of the newly-directed labour; but it is only by the employment of capital, which must necessarily be taken from other sources, that this result can be obtained; the prohibition of existing rival establishments will not create that capital.

The case in which the impolicy is less glaring, and the intervention most excusable and plausible, is that of an old-established branch of industry; the object being, not to bestow on it factitious encouragement, and on those concerned in it factitious prosperity,—but only to preserve it from decline, and those connected with it from being destitute of the means of subsistence.

But still the former objections irresistibly apply; If the establishment be prosperous, factitious encouragement is needless; if it be unprosperous, encouragement is baneful, serving only to give misdirection to capital and labour: to give permanent misdirection; since without that factitious encouragement, interest and common sense would correct the mistakes of miscalculation as soon as discovered.

In the next place comes the objection, that if in this shape encouragement be given to any particular occupation, it must, if impartial justice be done, be in like circumstances afforded to every other. In whatsoever instance, therefore, a branch of industry should be going on in a prosperous state, any rival branch of industry, that found itself in a declining or less prosperous state, would have right to claim the interposition of the prohibitory principle—the diminution or destruction of that rival's prosperity. On this supposition, a great part of

the business of government would be to watch over the whole field of productive labour, for the purpose—not the ultimate purpose, but still the purpose—of lessening the value of the produce ; diminishing prosperousness ; for the relief of unprosperousness ; preventing *A* from selling cheap goods, in order that *B* may be enabled to sell dear ones ; prohibiting *A* from producing superior articles, for the purpose of helping *B* to get rid of his inferior articles.

Here, then, is a vast proportion of the time and labour of the constituted authorities employed to no better purpose, in no higher aim, than to check prosperity as it proceeds ; to sacrifice success to the want of success ; to diminish the mass of habitual wealth, instead of increasing it.

Whatever be the effect of accident in this or that particular instance, operating against the general principle ; the general principle may be safely assumed and laid down, that the prosperity of every branch of industry will increase and decrease in the ratio of the degree of aptitude—of moral, intellectual, and active aptitude—on the part of the persons engaged in it ; on the degree, absolute and comparative, of prudence, vigilance, exertion, appropriate information, and industrious talent, possessed by them. Among the effects of the mode of supposed encouragement in question, will be its operating in the character of a prohibition on superior appropriate aptitude, and giving to inferior appropriate aptitude the advantage over it.

It is, in a word, a contrivance for causing every thing to be done as badly as possible ; for giving to evil the encouragements due to good.

§ 3. Causes of the prohibitory System.

The system of injustice and impolicy thus extensively pursued, to what causes shall its existence and its domination be ascribed? In this case, as in others, the cause will be found in the comparative strength of the producing influence, concurring with the comparative weakness of the opposing and restraining influence.

The efficient causes—the causes of the prohibition—

- I. Combined public exertions.
- II. Secret or corrupt influence.
- III. Non-existence of counter-efficient influence.
- IV. Legislative blindness.

I. In proportion as an individual, engaged in any one branch of industry, sees or fears to see his performances outdone by any competitor, whether foreign or domestic, he is interested in putting a stop to such rival labour, if possible; or to lessen its produce as far as he is able. The individual feeling is necessarily communicated to any body of individuals in the same situation; their common bond of union against those who are prejudiced by the employment of these productions, is much stronger than the motives to rivalry against one another. Hence, to obtain benefit for themselves and each other, individually and collectively considered, at the expense of all but themselves, is of course at all times the wish, and, as far as any prospect of success presents itself, at all times the endeavour, of all persons so connected and so situated.

By combined public exertion, what is meant to be designated is neither more nor less than the aggregate of

the exertions made by all such individuals as deem themselves likely to receive benefit in any shape from the prohibitory measure in question. The following are the principal circumstances on which the success of such exertion will naturally depend:

1. The apparent and thence the real number of the persons thus confederating, of whose individual interests the particular interest in question is composed.

2. The aggregate quantity of capital engaged in the particular interest in question.

3. The apparent and thence the real magnitude of the loss that would be produced to that particular interest, for want of the prohibitory measure in question.

4. The facility which, by local neighbourhood or otherwise, they possess for combining their efforts, and for concerting measures for employing them with the greatest possible effect.

5. The ability with which such representations are framed, as are intended to convey their case to the cognizance of the constituted authorities, or others on whom they depend for the ultimate success of their exertions: ability accompanied by energy and clearness, in so far as correct conception would be favourable to their cause; with obscurity and confusion, in so far as correct conception would be unfavourable to their cause.

6. The useful extent given to the circulation of such their communications; which extent will have for its measure the difference between the whole number of the persons on whose cognizance of the matter the success of their exertions will have to depend, and the number of those by whom, in consequence of their receipt of these communications or otherwise, cognizance of the matter comes to be actually taken.

II. By secret influence, the idea intended to be conveyed is: that influence which, on the occasion in question, is applied to the one or the few on whose will the success of the exertion depends; by the one or the few who, by habitual intercourse, possess in relation to them more or less facility of access in private.

On the part of the individual in question, be he who he may, the quantity of time it is possible for him to apply to the business in question, be it what it may, is a limited quantity; a quantity which, with reference to that necessary for the reception of the whole body of information, is most commonly and most probably insufficient even when the faculties of the person in question are, in the highest degree possible, well adapted to the prompt and correct reception of it.

If in any instance it happens that a person who, by any consideration, be it what it may, stands engaged to give support to the measure, is in habits of adequate familiarity with those on whom the adoption of it depends, the consequent advantage possessed by the measure is great and manifest. An additional and extra quantity of the arbiter's time is thus applied to the subject, and applied on that side. The only portion of time habitually applied to the business of the office in question, taken in the aggregate, will be the only portion of time a part of which can in general be allotted to the particular business in question, in the regular and established way. If, then, so it be, that amongst those who have habitual access to the official person, amongst his ordinary companions and intimates, should happen to be a person thus interested in the measure, a portion of the time allotted even for refreshment will in this particular instance be added to the time allotted to official business; and thus

the force of that sympathy which is produced by social enjoyment of this sort is added to whatsoever force the case may afford on that side, in the shape of appropriate and substantial argument.

Thus it is, that whatsoever of just representative fact and argument together is afforded by the measure in question, is capable of receiving, in one way or other, from secret influence an incalculable degree of force.

The influence, let it be supposed, is in the case in question no other than that which may be deemed legitimate influence; influence of understanding on understanding; influence operating no otherwise than by the direct force of such facts and arguments as the case may furnish.

But by the same private opportunities through which, in conjunction with and addition to those of a public nature, facility is given to the application of this legitimate influence; by these same private opportunities, and by these alone, facility is also given to the application of sinister and corruptive influence: influence of will on will, applied in a pecuniary or other inviting shape to the official person's private interest.

III. In every such case of prohibition of one branch of industry for the encouragement of another, — of prohibitions, for example, of foreign produce for the encouragement of domestic analogous produce, — there are, as above, two distinct interests; interests opposed to each other, — the interest of producers, the particular interest; the interest of consumers, the universal interest. Of these opposite interests, it is the lesser interest that always operates, as above, with peculiar force; with a force which is peculiar to every particular interest, as contra-

distinguished from and opposed to the greater, the universal interest. The individuals who compose the particular interest always are, or at least may be,—and have to thank themselves and one another if they are not,—a compact, harmonizing body; a chain of iron: the individuals making the universal interest are on every such occasion an unorganized, uncombined body; a rope of sand. Of the partakers in the universal interest, the proportion of interest centred in one individual is too small to afford sufficient inducement to apply his exertions to the support of his trifling share in the common interest. Add to which the difficulty, the impossibility, of confederacy to any such extent as should enable the exertions of the confederates fairly to represent the amount of the general interest,—that general interest embracing, with few exceptions, the whole mass of society. In a less degree the same observations apply to the case of the producers of the commodities with which, antecedently to the prohibition, the now-prohibited goods were purchased.

Much greater, however, is the advantage which the lesser sinister interest possesses over the greater common interest, as far as secret influence is concerned.

Of the two modes of secret influence, that which is exercised by understanding on understanding comes in only in aid of the legitimate influence of appropriate facts and arguments: the demand for it is, therefore, not altogether exclusive; but in so far as that influence is exercised only on one side,—in so much as that influence is misdirected, by the combined means of persuasion employed by the confederated few who compose the particular interest, against the diffused-means of persuasion possessed by the unrepresented or imperfectly represent-

the greater number — happiness possible

ed many, who compose the general interest,—in so far it is clearly pernicious.

But it is the exclusively possessed attribute of a particular interest, at once to require and to create facilities for the supply of sinister and corruptive influence. The universal interest—the people at large—the subject many—never see, never can see, engaged in support of their interest,—of that universal interest,—a friend and advocate established in habits of intimacy with the official person; at the table of the official person; an intimate whom, by any favour in their power to bestow, they can induce to engage that same official person to support, by his individual exertions, that general interest against which the particular interest is waging war. For any purpose of corrupt influence, the official person himself and his table-companion are equally inaccessible to the general interest: the particular interest can come at both.

The consequence is, that whenever the general interest is sacrificed to the particular interest, a probability has place that the sacrifice has been obtained not from the sincerity of honest delusion, but from the perversity of corrupt intention. This probability will be more or less according to the more or less obvious impolicy of the measure, and to the facilities afforded, under the circumstances of the case, for the introduction of corruptive influence among those who occupy the high places of authority.

These causes, in fact, apply to the whole field of government; they account for the universal domination of the interests of the few over the interests of the many; they account for the largest portion of the aggregate mass of misrule.

But, it may be retorted, this prevalence of particular

ever universal interest being, according to yourself, so general, the necessary consequence is, that no ultimate mischief ensues; every thing is as it should be: for what is the universal interest but the aggregate of all particular interests?

This is evading, not meeting the argument. The desire indeed exists universally to give prevalence each man to his own particular interest; but not the faculty. The wish is every where; the power not so.

Even of the manufacturing interests, it is not every class that has the power to associate and combine in support of the common interest of the class: that power only exists where similar manufactures are concentrated in small districts; where means of intercourse are frequent and easy; or where large numbers are employed by large capital lodged in the hand of a single individual, or of a single partnership. What facilities of general association or combination are possessed by individuals employed as general shopkeepers, bakers, butchers, tailors, shoemakers, farmers, carpenters, bricklayers, masons, &c.? None whatsoever.

Had every one individual in every one of these classes his vote in the business, all would indeed be as it should be: the sum of all the several distinguishable interests being thus framed and ascertained, would constitute the universal interest; in a word, the principle of universal suffrage would be applied.

Very different, however, is the state of things. Separate and particular interests start up, solicit and obtain protection, by the exercise of the influence referred to, to the danger and the detriment of the common prosperity. Of these the aggregate body of the influential interest is mainly composed. The concentration of im-

mense capital in single hands, great facilities for combination, and sometimes an union of both, furnish a power of evil which is but too commonly allowed to immolate the general good. Against its gigantic influence, appeal would seem in vain. A number of small fraternities exist, who, if they were able to unite, might maintain themselves against one large one equal to them all: but as it is, standing up separately, separately they are opposed, and crushed by the overwhelming influence one by one.

Of the baneful effects produced by the concentrated efforts of a coalition of those individual interests which form the particular interest, as opposed to the general national interest, the Spanish prohibitory decree is a remarkable illustration. In this case, a few clamorous manufacturers and a few short-sighted, self-named patriots, united their forces, and besieged the Cortes with their representations. Compared to the amount of counter-interest, they were, as we have shown, as one to a hundred: but their forces were organized—their strength was consolidated. Where then were the representatives of the thousand, when the representatives of the ten were drawn out in battle-array? No where! So the law was passed,—it was declared to be eminently popular; for the people who had petitioned, had petitioned in its favour: "the truth being, that the people, the immense majority of the people, had not petitioned at all; nobody was sufficiently interested. The law was passed: and now it is that the *public* injury begins to be felt, and now it is that the *public* voice begins to be heard. Spain has had but too long and too calamitous an experience of the injury done by that ever-busy meddling with the freedom of commerce which has for ages distin-

guished her short-sighted legislators, and which, in spite of natural advantages almost peculiar to herself, has eternally involved her in financial difficulties, distress, and poverty.

In England, all other particular interests are overborne and crushed by one great particular interest, named in the aggregate the agricultural interest. By a system of prohibition, foreign grain is excluded with the avowed intent of making home-produced grain dearer than it would be otherwise, — dearer to the whole population in the character of consumers and customers; and for the avowed purpose of securing to a particular class of persons a pecuniary advantage, at the expense of the whole population of the country*.

* As a guide to estimate the consumption of foreign corn in Great Britain, the imports and exports for 21 successive years will be found in Tables D and E. They were published in 1812 by order of the House of Commons. By these it would appear that the pro-rata annual importation of wheat, taking this period into account, was about 450,000 quarters; and of flour, 200,000 cwts.: which, taken in round numbers at 50,000 quarters, makes 500,000 quarters in all. The pro-rata exports of the same period were about 49,000 quarters of wheat, and 100,000 cwts. of flour; say in all, 68,000 quarters of wheat; so that the net amount of foreign grain consumed in Great Britain will have been about 430,000 quarters yearly. Calculating the annual consumption of the country at 11 millions of quarters, the proportion employed of foreign to home-produced wheat will be about a twenty-sixth part. Dr. Adam Smith gives no data, but assumes the proportion in his time to have been as 1 to 570. Can such a change have really taken place?

In Spain, one-thirtieth part of the whole consumption is the general amount of importation. The estimated quantity employed yearly is said to be 60 million fanegas; the average yearly importation is 2 million fanegas (Antillon).

These calculations can be only deemed approximative, not correct. In great towns, one quarter of wheat *per annum* for every individual, is made out to be the general consumption. London consumes about 19,000 sacks of flour weekly; but this proportion is necessarily much too high with a reference to Great Britain, in many parts of which the majority of the population employ no wheat at all.

But the class of persons meant to be favoured, and actually favoured, by this undue advantage, are not any class of persons employed in any beneficial operation; but a class of persons who, without any labour of their own, derive from the labours of others a share of the means of enjoyment much greater than is possessed by any who employ their labour in the purchase of it. They are land proprietors, deriving their means of enjoyment or of luxury from the rent of land cultivated by the industrious: they are, in a word, not labourers, but idlers; not the many, but the few. While, for the support of war, paper-money was issued in excess, they let their lands at rates which, if neither too high nor too low at that time, taking into account the then value of money, would necessarily be too high when, by the diminution of the issue of that money, the difficulty of obtaining it was increased, and its value increased from the same cause: and this evil is accumulating, if the amount of taxes paid by the occupier of the land, on account of the land, or on any other account, increases also.

In this case—the case as it now exists—the difficulty of coming to a right judgement, of feeling that we have come to a right judgement, is great indeed; so great, that in the determination of many an individual, in whose breast particular interest is in operation, regard for the universal interest might and would have been productive of the very line of conduct which has been determined by the more potent force of individual interest.

But of this difficulty, wherever it exists, what should be the consequence? Not that prohibition should be resorted to, but that it should be abstained from. So long as nothing is done in relation to the object by government, whatever happens amiss is the result of the na-

tion's will, and government is not chargeable with it. But when, and if, and where government takes upon itself to interfere and apply to the subject its coercive power, whatever mischief results from the exercise of that coercive power, is the result of the agency of government, and the rulers stand chargeable with it.

Whichever course is taken; action or inaction—interference or non-interference—liberty, or coercion in the shape of prohibition; distress to a vast extent—distress verging on ruin—distress on one side or the other—must be the inevitable consequence. If the importation of foreign grain be left free, ruin is entailed on the farmer, distress on the landlords: prohibit foreign grain, and ruin falls not only upon the manufacturer, but upon the labouring class; that is, the great majority even of agriculturists. Such is our miserable situation: its cause is excessive taxation; excessive taxation, the consequence of unjust war; unjust war, the fruits of the determination formed by the ruling few to keep the subject many in a state of ignorance and error,—in a state of dependence something beneath the maximum of degradation and oppression. In England, the primal and all-sufficient cause of misgovernment, and consequent misery, the corruption of the system of national representation; in every other country, the want of a system of adequate national representation, or rather the want of a representative democracy, in place of a more or less mitigated despotism: the want of the only form of government in which the greatest happiness of the greatest number is the end in view.

The mischiefs, then, of this system of partial encouragement being in all its shapes so vast, so incalculable,

and their sum so plainly predominant over the sum of good, to whom or to what shall we attribute the existence, the prevalence of such a system?

To the general causes of misrule; to the want of the necessary elements of good government; to a deficiency of appropriate probity, or intellectual aptitude, or active talent: in other words, to a want of honesty, or ability, or industry.

One cause bearing upon the question of appropriate intellectual aptitude or ability, and likely to mislead it, is this:—The good which constitutes the ground of the prohibitory measure, the reason that operates in favour of it, is comparatively prominent: the evil not equally so; its place is comparatively in the back-ground. Hence it is, as in too many other instances, a good, however small, is by its vicinity to the eye enabled to eclipse and conceal the evil, however large.

When, reckoning from the day on which a measure has received the force of law, a certain period of time has elapsed, custom covers it with its mantle; and, regarding it as an unauthorized act of daring to look into the nature of the measure, men inquire no further than into the existence of the law; habit gives it a fixed authority; and thus it is that, in every country, worship is bestowed on laws and institutions vying in absurdity with any scheme of extravagance which the imagination of man could produce.

Thus things go on—evil is piled upon evil—till at length the burthen of evil is absolutely intolerable. Then it is that men's eyes are opened, and a desire to retrace their erroneous steps is conceived. But no sooner has the legislator turned round, than he finds the way barred

against him by a host of difficulties. And thus, when nothing would have been easier at first than to prevent the disease,—that is, to forbear creating it,—the cure becomes ineligible, insufferable, not to say impossible; and error and folly become immovable and immortal.

... of British Produce and Manufactures exported from Great Britain to Spain in the Years 1817, 1818, and 1819.

Year	Wool	Woolen Goods	Other Goods	Total
1817
1818
1819

TABLE A.

Value of British Produce and Manufactures exported from Great Britain to Spain in the Years 1817, 1818, and 1819.

	1817.	1818.	1819.
	£.	£.	£.
Brass and Copper Manufactures	10,170	7,642	9,077
Cotton Manufactures	42,292	25,718	65,056
Glass and Earthenware	14,843	15,125	12,200
Iron, Steel, and Hardwares	52,893	58,925	61,618
Linen Manufactures	116,267	100,622	95,623
Silk Manufactures	74,813	68,790	62,926
Tin and Pewter Wares	20,059	12,489	13,992
Woollen Goods	186,849	164,479	124,517
Sundries, consisting principally of Fish and other Provisions, Ap- parel, Plate, Jewellery, and Household Furniture; Musical and Mathematical Instruments, Lead, Copperas, and Painters' Colours	70,635	65,055	64,269
Total £	588,821	518,845	509,278

TABLE B.

An Account of the Quantity of the principal Articles imported into Great Britain from Spain in the Years 1817, 1818, and 1819.

	1817.	1818.	1819.
Almonds of all sorts . . . cts.q.lbs.	1,534 3 6	3,086 3 25	2,384 2 10
Barilla . . . cts.q.lbs.	6,437 0 22	16,927 2 21	14,505 3 21
Cochineal . . . lbs.	118,105	50,104	37,217
Cork . . . cts.q.lbs.	9,973 2 10	13,896 2 4	16,725 2 22
Cortex Peruvianus lbs.	32,338	30,282	4,544
Jalap . . . lbs.	54,607	29,946	98,863
Indigo . . . lbs.	82,189	85,265	3
Lead Black . cts.q.lbs.	2,019 2 10	4,221 0 23	1,611 2 7
Lemons & Oranges nmb ^r	6,902,775	7,443,475	12,066,880
Nuts, small bushels.	66,360½	87,922	50,743½
Quicksilver . . . lbs.	698,830	1,156,783	449,965
Raisins . . . cts.q.lbs.	42,535 1 21	69,232 1 36	61,815 0 25
Shumac . . . cts.q.lbs.	5,310 3 10	7,816 2 26	2,894 0 27
Wine . . . ts.h.gal.	4,246 0 11½	6,805 2 13½	4,115 3 36½
Wool, Sheeps' . . . lbs.	6,282,033	8,760,627	5,528,966

TABLE C.

An approximative Estimate of the Value of the principal Articles of Merchandize imported into Great Britain from Spain in the Years 1817, 1818, and 1819.

	1817.	1818.	1819.
Almonds of all sorts . . .	£ 6,140	12,348	9,538
Barilla . . .	8,046	20,035	21,881
Cochinjal . . .	147,631	62,630	46,522
Cork . . .	24,932	34,736	41,815
Cortex Peruvianus . . .	3,235	3,028	755
Jalap . . .	2,785	1,498	4,944
Indigo . . .	24,657	25,579	1
Black Lead . . .	3,026	10,865	2,416
Lemons and Oranges . . .	8,054	8,685	14,079
Nuts, small . . .	53,300	73,265	42,285
Quicksilver . . .	52,412	86,759	58,497
*Shumac . . .	5,315	7,816	2,898
Wine . . .	582,100	544,450	569,238
Wool, Sheeps' . . .	785,254	1,095,078	691,120
*Raisins . . .	108,804	103,848	92,723
Total	£1,715,691	2,090,620	1,598,712

The above Table is not official, and the value probably not very accurately calculated.

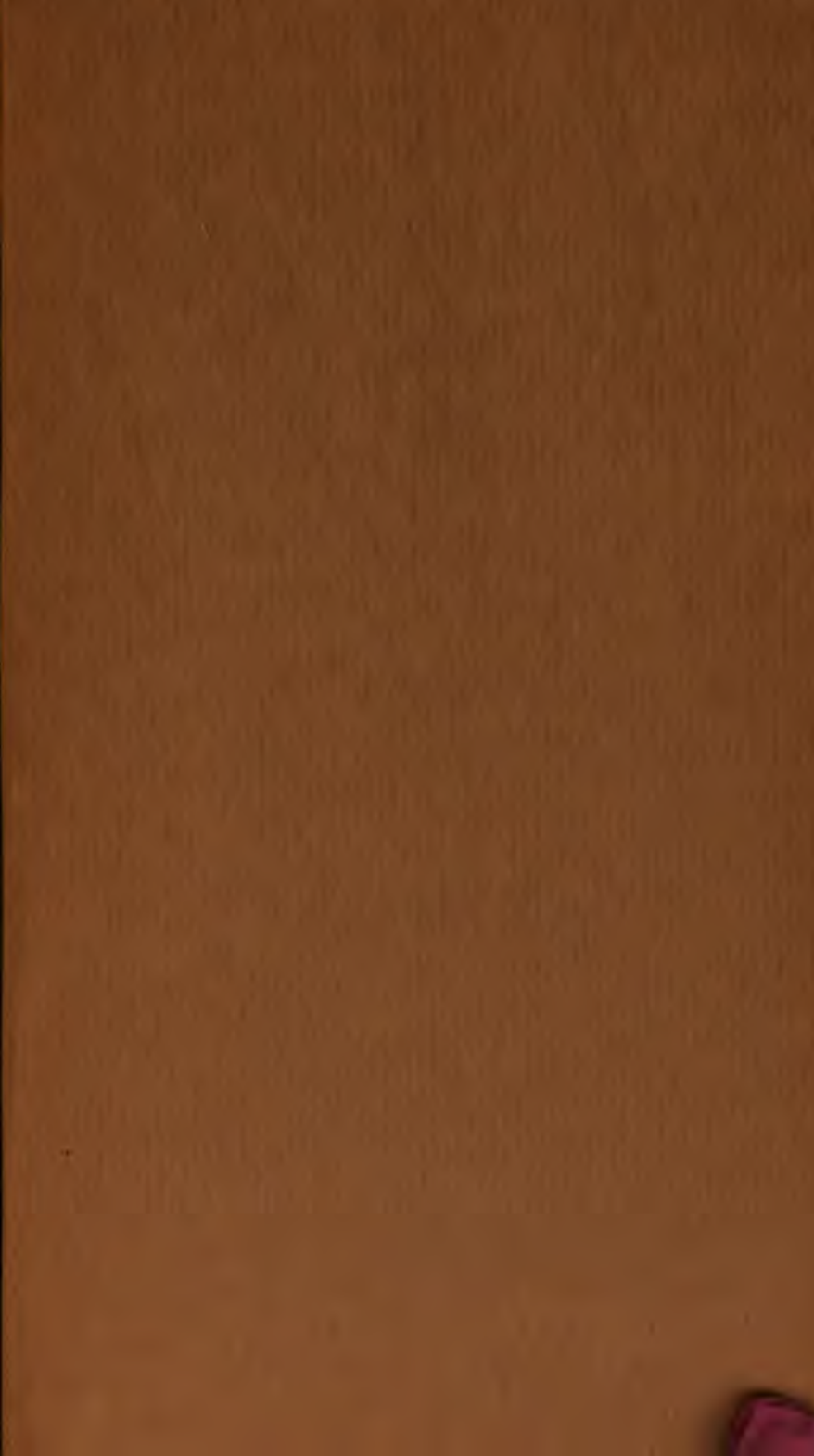
TABLE D.
Account of Foreign Grain, &c. imported into Great Britain from 1792 to 1812 inclusive.

Years.	Barley.	Barley Meal.	Beans.	Indian Corn.	Indian Meal.	Malt.	Oats.	Oat-meal.	Pease.	Rye.	Rye Meal.	Wheat.	Wheat Flour.
1792	Quarters, 113,080	Cwts. 36,605	Quarters, 5,677	Quarters, 5,677	Cwts.	Quarters,	Quarters, 450,976	Cwts.	Quarters, 4,793	Quarters, 12,536	Cwts.	Quarters, 18,921	Cwts. 7,757
1793	142,884	26,408	2	2	....	....	429,994	....	18,553	55,564	....	415,376	211,588
1794	111,370	88,396	1,600	1,600	....	....	484,370	....	40,368	24,058	3,705	316,066	9,308
1795	18,070	13,323	20,586	20,586	....	....	105,168	820,263	20,263	11,507	37,595	274,522	86,726
1796	40,033	34,327	22,410	22,410	....	....	459,932	1532,711	15,327	160,583	11,611	820,361	205,855
1797	51,930	16,807	107	107	14	....	274,490	217,818	217,818	8,258	....	420,414	2,769
1798	66,705	8,540	21	21	....	....	411,456	....	21,632	6,925	....	378,740	1,734
1799	19,387	3,237	2	2	....	....	170,233	....	8,750	22,051	2,650	430,274	61,584
1800	130,898	15,796	8,436	8,436	9,471	....	542,603	726,796	726,796	138,713	22,625	1,174,523	312,367
1801	113,966	16,246	44,472	44,472	113,141	....	562,628	6344,218	6344,218	99,847	177,494	1,186,337	833,016
1802	8,136	4,138	737	737	15,513	....	241,848	....	10,558	14,889	1,162	470,698	236,061
1803	1,148	85	669	669	146	....	254,799	1423,381	1423,381	3,347	....	224,055	309,409
1804	9,074	8,868	242	242	8	....	500,369	218,570	218,570	2,438	....	386,194	17,060
1805	27,645	8,727	16	16	27	....	275,105	....	8,583	24,032	....	821,164	54,539
1806	2,058	1,045	108	108	18	....	183,428	....	171	683	2	136,763	248,907
1807	3,043	9,997	1,062	1,062	4	....	420,032	....	4,680	7,309	....	215,776	504,209
1808	4,601	8,674	4,307	4,307	5	1,228	34,630	7312,807	7312,807	4,724	3	33,780	19,642
1809	13,341	27,297	1,262	1,262	....	533	296,911	86133,071	86133,071	13,047	541	245,774	497,314
1810	17,953	11,685	36	36	3	893	115,916	312,053	312,053	90,116	3,206	1,304,577	472,633
1811	39,900	778	13	13	12	1,493	11,446	4104,994	4104,994	27,765	166	179,645	31,215
1812	40,375	103	17	17	....	356	14,826	445	445	71,771	8,296	115,811	49,194

TABLE E.

An Account of the Quantity of Corn and Grain of all sorts, Meal, Flour, and Rice, exported from Great Britain from 1792 to 1812 inclusive: distinguishing the Quantity of each Year; the Price of the Year being the real Value and the total Export of each Year in Value.

Yrs.	Barley.		Beans.	Indian Corn.	Indian Meal.	Malt.	Oats.	Oat-meal.	Pease.	Rye.	Rye Meal.	Wheat.	Wheat Flour.	Total quantities export, &c.			Total Value at the average Market Prices.
	Qrts.	Cwts.												Corn & Meal & Flour.	Rice.	Cwts.	
1792	29110	...	11636	...	...	20021	23940	2195	5629	16151	...	250982	172534	357489	174729	174959	£1063753
1793	1529	...	9771	...	...	1993	16237	3728	4582	512	...	44866	112012	79430	115740	96172	361053
1794	2064	...	7520	1448	...	6473	13388	4196	3280	1919	...	116273	135713	153265	139909	79336	579487
1795	1789	...	3235	465	...	4627	5420	2274	1315	115	603	677	63567	17643	66444	25809	149393
1796	7204	...	8613	3289	...	5929	10072	3093	2112	122	...	677	84008	38018	87101	76692	266171
1797	5253	...	8486	6419	5711	7870	18869	4502	2835	108	1436	23076	110071	72916	121720	69730	310909
1798	2856	...	16092	580	23	12220	23600	5748	3415	680	...	22138	131757	81581	137528	73532	344340
1800	3393	...	7146	...	...	16485	17633	6590	2311	40	396	16960	78409	88338	85395	44626	365607
1801	1614	...	5476	378	1988	2415	9505	3951	1822	37	1448	7866	49515	32184	54914	6422	234578
1802	4727	...	6792	1328	400	2111	12278	4774	1508	25	6926	5227	81126	28617	94814	20947	297694
1803	32756	...	4885	...	...	3148	15482	3300	2370	6484	...	104414	157113	144745	160813	210899	807060
1804	115102	2125	5918	58	...	11032	14047	3907	2626	1030	...	47630	101326	114006	105233	57163	393560
1805	6555	...	5490	...	...	12747	17168	3098	2999	3798	...	30229	114956	188019	120179	50292	536692
1806	16820	...	6734	...	...	6805	27764	12938	4682	4020	...	54243	82994	94884	86714	41734	505102
1807	6360	...	7374	...	...	7202	22702	13619	2325	956	...	4716	86973	71541	99911	49371	337222
1808	2936	1207	6519	210	...	7493	21620	9480	3556	3907	300	8495	241752	54376	252739	30810	259892
1809	5061	30	2827	...	...	5830	16085	7576	2610	708	13	4866	92442	37987	100061	28738	484231
1810	11348	83	2804	...	...	8218	19199	9651	3959	8155	2944	61488	50040	114271	62718	139054	716923
1811	53246	156	2175	...	...	10982	40047	7260	3603	35235	1091	73249	85806	218537	94313	83698	893469
1812	53205	100	1956	9562	21398	14229	2918	21400	1548	27091	67318	137530	83195	32141	760130



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